The Implications of Chinese Investment in Israel



| Project Title | The Implications of Chinese Investment in Israel | | |
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| Project Summary This research project is focused on the implications of Chir investment in Israel on Israeli and U.S. interests. | | | |
| Country | United States | | |
| Country/Region of Focus | Israel | | |

Project Description

For context, the U.S. National Security Strategy underscores the ways in which China is a geopolitical rival, actively competing against the United States across the political, economic, and military arenas in an effort to shift regional balances of power in Beijing's favor. The U.S. National Defense Strategy likewise describes the reemergence of long-term strategic competition with China as one of the central challenges to U.S. prosperity and security. In the economic arena, China's trade strategies and infrastructure investments reinforce its geopolitical objectives to expand influence and gain competitive advantages worldwide.

China relies heavily on the Middle East for natural resources and views the region as a critical part of its Belt and Road Initiative to connect Eurasia, Africa, and Europe by land and sea. Beijing has avoided any significant political role in the Middle East, preferring instead to build and leverage relationships with key countries such as Iran, Saudi Arabia, Egypt, and the United Arab Emirates. China has made significant investments in infrastructure across the region, including in Israel, where China is now the second-largest trading partner behind the United States. Notable Chinese infrastructure projects in Israel include sites at the country's only two ports on the Mediterranean Sea and parts of Tel Aviv's light-rail project.

Israel's national security is a cornerstone of U.S. policy in the Middle East, and Washington and Jerusalem cooperate closely on a wide variety of related issues. Senior U.S. officials have raised concerns over Chinese investments in Israeli high-tech companies and civilian infrastructure that could increase China's ability to acquire security-related technologies and gather intelligence on Israel and the United States.

Research Questions

- 1. What major factors have led Israel and China to transform the nature of their economic relationship in recent years?
- 2. What are the similarities and differences between Chinese investment in Israel and other countries in the Middle East?
- 3. To what extent and in what ways could growing economic ties between China and Israel pose a threat to Israel's national security? What measures is Israel taking to safeguard its critical national assets from Chinese influence and possible damage?
- 4. How could Beijing and Jerusalem's expanding economic relationship have a negative impact on U.S. national

security, either directly or indirectly? What related policies and responses should Washington consider to protect its interests?

5. What are the potential implications for Israel-U.S. relations in light of U.S. concerns about China as an adversary?

Required Skills or Interests

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Economic analysis

Political Analysis

Research

Writing

Additional Information

None

Language Requirements

None